

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ \*\*

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi\_Misc\_pt29

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

# Administration

## Departmentwide

(LFB Budget Summary Document: Page 35)

### LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
4	State Budget System Redesign (Paper #120)
5	Contract Compliance Officer (Paper #121)
6 & 10	Demographics Services (Paper #122)
9 f	Shift of Positions Between Appropriations (Paper #123)

## EMPLOYMENT RELATIONS

### Oversight of Certain State Employee Disciplinary Investigations

Motion:

Move to include statutory language to:

(1) Require the Administrator of the Division of Merit Recruitment and Selection (DMRS) in the Department of Employment Relations to establish, by rule, procedures that each state agency must follow in investigating any alleged violation of the code of ethics currently established by the Administrator under s. 19.45(11)(a) of the statutes and applicable to classified and unclassified state employees other than those employees subject to the jurisdiction of the Ethics Board, unclassified employees in the University of Wisconsin System and officers and employees of the judicial branch of state government.

(2) Require the Administrator to specify, by rule, appropriate discipline for a violation of the DMRS code of ethics, except that such discipline may not include a fine, forfeiture or term of imprisonment. Stipulate that if an employee is alleged by his or her appointing authority to have violated that code of ethics, the Administrator, at his or her own initiative or at the request of the appropriate appointing authority, may suspend with pay the employee pending investigation of the alleged violation of the DMRS code of ethics.

(3) Provide that any employee who is determined to have violated a provision of the DMRS code of ethics may be disciplined by the employee's appointing authority or the Administrator as specified in the rules which the Administrator would be required to promulgate.

(4) Stipulate that if an appointing authority is investigating an alleged violation of the DMRS code of ethics and the Administrator determines that the appointing authority is not following procedures established by the new rules, the Administrator may assume control of the investigation. Require that any information contained in records obtained or prepared by the appointing authority or the Administrator in connection with an investigation of an alleged violation of the DMRS code of ethics could not be disclosed to the public, unless the alleged violation is referred to a district attorney or the Attorney General and the information is used by these individuals in the course of a civil or criminal action arising out of a violation of the DMRS code of ethics.

(5) Require the Administrator to disclose, upon request, the outcome of any such investigation, including any discipline imposed on the employee.

Friend: motion of Winkler to delete item 6)

[illegible]

BOARD OF COMMISSIONERS OF PUBLIC LANDS AND HISTORICAL SOCIETY

Revised Procedures for the Recovery of Sunken Logs  
from Submerged Lands Owned by the State  
and Allocation of Certain Permit Fees and Sale Proceeds  
to Northern Great Lakes Center and a Maritime Grant Program

Motion:

Move to add to the Governor's recommendation the following modifications to current law relating to the recovery of sunken logs from submerged lands owned by the state:

- (1) Revise the definition of "log" to include any portion of a trunk or a tree previously used in substantially its natural state as part of a dock or crib, but which is no longer a part of the dock or crib or any other discernible structure, or which is part of the debris field of a dock or crib;
- (2) Specify that sunken logs would not be deemed objects of archeological interest;
- (3) Increase the cost of permits for raising sunken logs from submerged state lands from \$50 to \$500 and extend their period of validity from one to five years. Further, specify that the permits may be issued only for logs in Lake Michigan and Lake Superior;
- (4) Require all permit applicants to include with the permit application a performance bond of \$10,000, unless the permit holder has previously received a permit from the Board. If an applicant has not previously conducted actual log-raising activities, require the applicant to submit a business plan to the Board certified to be viable by the Department of Commerce;
- (5) Provide that all sunken log permit fees and the state's share of sale revenues, other than revenues subject to (8) below, would be credited to a new continuing program revenue appropriation under the State Historical Society rather than accruing to the Common School Fund.
- (6) Specify that the PR appropriation under the Historical Society would be used for the following purposes in each year: (a) the first \$100,000 in revenue would be used to offset on a dollar-for-dollar basis the GPR funding provided to the Society for the operating costs of the Northern Great Lakes Center; (b) the next \$300,000 in revenue would be provided to the Society for a new grant program related to maritime projects; and (c) any revenue credited to the appropriation above \$400,000 in each year would lapse to the general fund.

(7) Require the Historical Society to establish a grant program for maritime related projects. Direct the Society to promulgate rules to define maritime projects. Specify that the Society could not award more than one grant per fiscal year to an applicant and could not award grants to an applicant for more than two consecutive fiscal years. Specify that grants awarded to any applicant could not exceed \$50,000 during the two-year period. Require grant applicants to contribute 10% of the grant amount as matching monies from a non-state source.

(8) Provide that if a raised log shows evidence of a Native American tribal mark or brand, 20% of the appraised market value of the log would be paid to the applicable tribe, rather than to the State Historical Society;

(9) Provide that the area covered by a permit must be contiguous and may not exceed 160 acres. Stipulate that a location may not be subject to more than one permit;

(10) Provide for the automatic renewal of any permit for an additional period of five years, if the permit holder submits a request for renewal, along with \$500, to the Board at least 30 days prior to the renewal date unless, after notice to the permit holder and an opportunity to be heard, the Board determines that a permit holder has knowingly or willingly violated the terms, conditions and requirements of a permit or applicable field archeology permit laws. Specify that upon such a finding, the Board could deny, restrict or limit the renewal. Grant the Board authority to apply conditions to an existing permit if previously unknown archeological or environmental facts are discovered affecting the location of the permit;

(11) Require permit holders to: (a) allow a designee of the Historical Society to observe log recovery activities under a permit; and (b) provide to the Historical Society, upon written request from the Society, a representative sample of company logging marks by sawing off the ends of the logs bearing the marks and delivering them to the Historical Society;

(12) Prohibit permit holders who raise sunken logs in a permitted area from: (a) removing any archeological object; (b) disturbing any discernible or identified archeological site; or (c) disturbing any crib or dock;

(13) Impose the following forfeitures and remedies applicable to log removal activities: (a) for persons raising logs for commercial gain without a permit, require a forfeiture of \$500 or an amount equal to twice the gross value of the removed log, whichever was greater, plus reasonably incurred costs of investigation and prosecution; (b) for any person who intentionally interferes with log recovery operations for which a permit had been issued, make the individual liable for any actual losses caused by the interference (including wages, damage to property and attorney costs) and authorize a forfeiture of not less than \$100 nor more than \$500. Specify that any logs removed in violation of applicable statutory provisions must be returned to the lake bed, as directed by the Board, or, as currently required, forfeited to the state;

(14) Specify that the Director of the Historical Society may require a field archeology permit for the removal of sunken logs only if it is necessary to protect an identified archeological

site. In the absence of such a need, require the Director to waive the permit requirement, except that the Director would be authorized to impose data gathering requirements on the permit holder; and

(15) Specify that these modifications would first apply to permits issued or renewed on the effective date of the bill; however, a permit already existing on the effective date of the bill could become subject to these modifications if the permit holder consents, in writing, to the Board.

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Note:

This motion would make a variety of changes to procedures affecting the recovery of sunken logs from submerged lands owned by the state and the use of permit fees and sale proceeds, as follows:

(1) Currently a log is defined as a portion of a tree or a felled tree that has not been further processed for any end use. The motion adds to this definition logs that are portions of a trunk or a tree previously used in substantially its natural state as part of a dock or crib, where the log is not part of a discernible dock or crib or is in the debris field of the dock or crib.

(2) Sunken logs, as newly defined, would not be deemed archeological objects under the state's field archeology law (s. 44.47 of the statutes).

(3) Currently, permits to raise sunken logs may be issued applicable to all sunken lands owned by the state, cost \$50 and are valid for one year. The motion would increase the permit cost to \$500, provide for five-year permits and allow permits for log-raising activities only in Lakes Michigan and Superior. The raising of sunken logs from other submerged lands owned by the state would be prohibited.

(4) Current law does not require a performance bond from the permit applicant. The motion would require a \$10,000 performance bond. However, this bond requirement would not apply to permit holders previously granted a permit by the Board. The motion would also require applicants with no prior log-raising experience to submit a business plan certified to be viable by the Department of Commerce.

(5) Sunken log permit fees and the state's share of sale proceeds (other than proceeds payable to a tribe) would be credited to a new appropriation under the state Historical Society.

(6) Each year, this new appropriation would offset GPR funding to the Northern Great Lakes Center (the first \$100,000 of proceeds), fund a maritime grant program (the next \$300,000 of proceeds), or would lapse to the general fund (any proceeds over \$400,000).

(7) The Historical Society would be required to establish a grant program for maritime-related projects and grant award provisions would be specified.

(8) Current law does not provide for the payment of any sale proceeds to Native American tribes. The motion would provide that the sale proceeds from raised logs with identifiable tribal markings would be paid to the appropriate tribe rather than to the Historical Society.

(9) Current law does not limit the overall size of a location subject to a permit; however, current Board administrative practice sets the maximum size at 59.99 acres. The motion establishes a statutory maximum permit location size of 160 acres. The statutes do not require the area covered by a permit to be contiguous and do not limit the number of permits granted for one location, although the Board's current administrative practice provides for both. The motion would codify these current administrative practices.

(10) Under current law, permits are renewable by the Board for successive one-year periods upon payment of a \$50 fee with each renewal application. The Board may place conditions on any renewal and may deny a renewal if the permit holder has violated the terms, conditions or requirements of the previous permit. The motion provides for the automatic renewal of any permits for an additional 5-year period upon payment of \$500 to the Board. The Board would be authorized to deny, restrict or limit the permit renewal, after notice to the permit holder and an opportunity to be heard, for violations of the terms, conditions and requirements of a permit or applicable field archeology permit laws. Permits would newly contain provisions allowing the Board to impose new conditions to the permit if previously unknown archeological or environmental facts are discovered affecting the location of the permit.

(11) The motion would newly require a permit holder to allow the Historical Society to observe the log-raising operations. The permit holder, when requested by the Historical Society, would also be required to provide the Historical Society with certain logging company markings found of the raised logs.

(12) The motion would newly prohibit permit holders from removing archeological objects, disturbing archeological sites of disturbing any crib or dock.

(13) The motion would newly impose forfeitures of: (a) the greater of \$500 or an amount equal to twice the gross value of the removed log, plus reasonable costs of investigation and prosecution, for logs removed for commercial gain without a permit; and (b) not less than \$100 nor more than \$500, plus liability for actual losses, for any person who intentionally interferes with log recovery operations for which a permit has been issued. Logs removed in violation of applicable statutory provisions would have to be returned to the lake bed, as directed by the Board. Currently, such logs are forfeited to the state.

(14) Current law allows the Director of the Historical Society to require an applicant for a permit to raise sunken logs to obtain a field archeology permit. Under the motion, this field



permit would only be required if it is necessary to protect an identified archeological site. If no such site needed protection, the Director would have to waive the requirement for the field archeology permit but could impose data gathering requirements on the permit holder.

(15) The provisions of the motion would first apply to permits issued or renewed on or after the general effective date of the biennial budget act. An existing permit on the effective date could also be made subject to these provisions if the permit holder consented, in writing, to the Board.

MO# 1066

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
2 COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS 0

Senator Burke  
Senator Panzer  
Representative Jensen

## ADMINISTRATION, NATURAL RESOURCES AND BUILDING PROGRAM

### Black Point Estate

#### Motion:

Move to enumerate a project financed by general fund supported bonding in the amount of \$1,600,000 BR to allow the Department of Administration to adapt the property commonly known as Black Point estate on Lake Geneva for public use. Create a sum sufficient GPR appropriation in the Department of Administration for debt service payments. Provide \$143,000 GPR in 1998-99 for the debt service payments related to this bonding.

Require the Department of Natural Resources to make a grant of \$1,800,000 SEG from the recreational boating aids appropriation to a nonprofit conservation organization (NCO) that meets the following requirements: (a) the purposes of the NCO consist primarily of the preservation of Black Point estate; (b) the NCO Board consists of representatives of the donor family, the state of Wisconsin and local units of government and civic organizations with an interest in Black Point; (c) the NCO acquires and holds a conservation easement to preserve Black Point; and (d) the NCO makes a commitment to use the grant and any additional funds donated to the NCO to fund an endowment for the operation and maintenance of Black Point.

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#### Note:

The Black Point Estate is a parcel of land in Walworth County which includes approximately <sup>688</sup>~~300~~ feet of frontage on the south shore of Lake Geneva and a 13-bedroom Queen Anne style residence constructed in 1888. The estate is listed on the National Register of Historic Places and the Wisconsin State Register for its architectural significance and contains a significant collection of late-Victorian furniture. The current owners of the property wish to donate the property to the state.

This motion would enumerate the Black Point project at \$1,600,000 BR. This bonding would fund construction of a visitor center and various improvements to the grounds and buildings to make them suitable for public use. Debt service costs, funded from a new sum sufficient appropriation in DOA, are estimated to be \$143,000 GPR in 1998-99.

This motion would also require DNR to provide a grant to an NCO to acquire a conservation easement on Black Point. The grant would be funded with \$1,800,000 SEG from the continuing balance in the recreational boating aids appropriation. These funds would be used to establish a privately funded endowment for the operation and maintenance of Black Point.

It is expected that, DOA would take title to the site (subject to the NCO's conservation easement) and to enter into a memorandum of agreement with DNR for the management of the site. DNR is expected to maintain the property using existing staff and equipment at Big Foot Beach State Park. The operation and maintenance of the house and visitor center, and the management of visitors to the site (including any public dock facilities) would be the responsibility of the NCO. DNR has also agreed to improve the public lake shore path and to make other improvements for a total cost of up to \$100,000.

[Change to Bill: \$1,600,000 BR and \$143,000 GPR]

MO# 1067

1 BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	<input checked="" type="radio"/> N	A
PANZER	<input checked="" type="radio"/>	N	A
2 JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
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ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 15 NO 1 ABS

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### State Budget System Redesign (Administration -- Departmentwide)

[LFB Summary: Page 36, #4]

## CURRENT LAW

The current executive budget system relies entirely on mainframe computer technology and is a system that was created during the 1981-83 biennium.

## GOVERNOR

Provide \$125,000 GPR in 1997-98 and \$200,000 GPR in 1998-99 for a "reengineering" of the state executive budget system. The funds would be used for an evaluation of the current computer system used for the development of the state executive budget and an examination of advanced information technology methodology which could be used to upgrade the present system.

## DISCUSSION POINTS

1. The current executive budget system is used primarily by state agencies and DOA's executive budget office in the development of the Governor's biennial budget recommendations and the execution of the budget when it is approved by the Legislature and signed into law by the Governor. The system is also used by Legislative Fiscal Bureau staff and others to obtain detailed information about agency budget requests and the Governor's budget recommendations. The budget system is separate from, but related to, the state's accounting system (WisMart) and personnel management information system (PMIS). The budget computer

system provides detailed appropriation information on a line item basis and is directly related to the totals in the Chapter 20 appropriation schedule in the statutes. The separate WisMart and PMIS systems are even more detailed tracking systems for all daily agency financial transactions and position related activities.

2. DOA indicates that because of the design of the current budget system, interaction between WisMart or PMIS is difficult. The current system is based entirely on mainframe computer technology and programming for operations. Changes in budget system appropriation amounts or in authorized position counts require mainframe processing and then subsequent data transfers to Wismart or PMIS.

3. In considering a redesign of the executive budget system, DOA indicates that the following areas are ones that could be reviewed for possible change: (a) budget instructions; (b) base budget reconciliation; (c) budget back-up detail residing on the DOA mainframe system; (d) agency budget development systems; (e) executive budget briefing development; (f) preparation of executive budget documents; (g) the Chapter 20 appropriation schedule operating on the DOA mainframe computer; (h) interaction of state budget computer system with WisMart and PMIS; (i) access to the system by various staffs and agencies; and (j) preparation of debt service estimates.

4. In addition to redesigning the technical budget computer system, DOA indicates that the budget process would also be evaluated. Process items that might be examined include: (a) statutory budget features and requirements; (b) budget targets; (c) information presented to budget decision makers; (d) information presented to the public; (e) budget stabilization activities; (f) budgetary controls; (g) possible new budgeting approaches, such as performance measurement; (h) the link between generally accepted accounting principles and the budget; and (i) state debt capacity.

5. DOA anticipates that the funds recommended by the Governor would be used as follows: (a) \$30,000 GPR annually for consulting service costs; (b) \$87,500 GPR in 1997-98 and \$112,200 GPR in 1998-99 to support the acquisition of hardware; and (c) \$7,500 GPR in 1997-98 and \$57,800 GPR in 1998-99 for the development and acquisition of software. The Department indicates that the total project would likely not be completed until the 1999-2001 biennium.

6. By redesigning the budget system and process, DOA hopes to: (a) reduce paperwork associated with the budget; (b) automate other budget procedures that are currently done manually; (c) eliminate duplicate data entry; (d) reduce staff training time and overall effort in executive budget preparation; (e) provide improved access to budgetary information; (f) shift the emphasis of the overall budget process from budget control to outcomes evaluation (measurement of program performance); (g) present more useful information to decision makers; (h) eliminate budgetary procedures determined to be of little or no value; and (i) provide budgetary flexibility to state agencies, but require improved performance.

7. It is indicated that any new system would be accessible through personal computer technology. In redesigning the system, DOA indicates that "stakeholders" in the system and process (state agencies, the Governor's Office and the Legislature) would be involved in evaluating the current system and any system or process redesign, although additional specification of how they would be involved is not provided.

8. The Department indicates that funding provided in the budget is an estimate of costs to begin the acquisition and development of a new budget system. No bids have been taken on consulting contracts and no specific hardware or software purchases have yet been identified. According to DOA, the total length of time to complete the project will depend on how many areas are redesigned, how many statutory modifications are necessary and the number of people participating in the project. Given that the specific design of any new system or possible modification to the process is not known, it could be argued that providing funding for hardware and software is premature. If the Committee concurs with the view that the budget computer system and the budget process needs to be changed, at this time it could provide only funding for a consultant's study on needed changes and a design for how to undertake those changes. Funding for actual implementation could then be considered later.

9. If funds for a consultant are provided, it may be noted that DOA intends that the consultant or consultants hired for the budget system redesign would lead focus groups that would provide input to DOA on needed/desired changes to the current budget system and then develop an implementation plan. The consultant(s) would therefore have a significant role in the redesign process. In any redesign of the budget system, and especially the budget process, questions of the separation of powers and the Legislature's role in the "power of the purse" can be raised. Given the potential importance of any such redesign, it could be argued that the results of the consultant recommendation/plan should be provided to the Legislature before any implementation of such a redesign is undertaken. If funding is provided for the project, the Committee could add a session law requirement that the results of the consultant study and any recommendations be provided to the Joint Committee on Finance before any system redesign is begun to be implemented.

10. The question can also be raised, however, whether there is a clear definition of what exactly needs to be redesigned in the current budget process and technical computer system. For example, although the existing budget computer system is aging, it is still functioning and many of the items outlined by DOA as areas for possible change relate primarily to the development of the executive budget recommendations. It could be argued that the Legislature, particularly the Joint Committee on Finance and the Legislative Fiscal Bureau in its budget support role to the Legislature, need to ensure that the information and procedural interests of the Legislature are not adversely affected by any budget system computer changes.

11. More importantly, the budget redesign request from DOA envisions more than just the technical redesign of the budget computer system. As previously noted, DOA anticipates that this effort could include an examination of such areas as: (a) statutory budget provisions; (b)



information presented to budget decision-makers which presumably includes the Joint Committee on Finance and the Legislature; (c) budgetary controls; and (d) possible new budgeting approaches. These aspects of the budget system definitely are of concern to the Finance Committee and the Legislature as well as the Governor and DOA. It can be questioned therefore, whether these areas should even be part of any redesign effort by DOA before all the parties with an interest in these questions have both identified what concerns there are, what changes might be made, and how any such changes would impact on the powers and duties of the respective parties. Further, it would seem that a decision on any changes in this area (including statutory changes if necessary) should be made before proceeding with any technical computer system redesign which would logically follow any process changes.

12. These type of concerns lead to the argument that providing any funds for a redesign effort (including funds to employ a consultant), are premature and that DOA first needs to do further staff work to define what the specific problems with the existing system are and what types of changes, either in budget process and/or technical budget computer systems, are needed. Further, it could be argued that consideration of legislative concerns and needs related to both the state budget process and the technical budget computer system should be reviewed and addressed before proceeding with any consultant study and implementation plan. The Committee could choose to not provide any funding for this project and instead, the Secretary of DOA could establish a working group composed of representatives of the Department, the State Budget Office and the Legislative Fiscal Bureau to review any issues related to the budget process and the technical budget system.

## ALTERNATIVES TO BILL

1. Provide \$125,000 GPR in 1997-98 and \$200,000 GPR in 1998-99 for an evaluation of the current state budget computer system and an examination of advanced information technology methodology which would be used to upgrade the present system.

2. Provide funding of \$60,000 GPR in 1997-98 for consultant services in connection with the development of an implementation plan for redesign of the budget system and process.

<u>Alternative 2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$265,000

3. *In addition to Alternative 1 or 2, create nonstatutory language requiring the Department of Administration to submit to the Joint Committee on Finance the results of any consultant's study associated with the planning and redesign of the budget system and process, including the consultant's recommendations and implementation plan.*



Representative Jensen  
Senator Burke

## ADMINISTRATION

### State Budget System Redesign Substitute to Alternative 2 (Paper #120)

#### Motion:

Move to place \$60,000 GPR in 1997-98 in the Committee's supplemental appropriation for consulting services related to the redesign of the state budget system. Specify that funding would be released upon approval of a joint report from the Department of Administration and the Legislative Fiscal Bureau defining the parameters of the consultant's study.

#### Note:

This motion would place \$60,000 GPR in the Committee's supplemental appropriation for consulting services related to redesigning the state budget system. The motion would also require that funding could not be released until the Committee had approved a report from DOA and the Legislative Fiscal Bureau defining the parameters of the consultant's study.

[Change to Bill: \$0]

MO# 1555

2 BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
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KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

Motion #1555

AYE 16 NO 0 ABS 0

4. Maintain current law.

<u>Alternative 4</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$325,000

Prepared by: Jere Bauer

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Contract Compliance Officer (Administration -- Departmentwide)**

[LFB Summary: Page 37, #5]

## CURRENT LAW

The Department of Administration's Division of Buildings and Police Services (DBPS) is responsible for managing state office buildings and is responsible for all state real estate leasing. Leases are subject to the approval of the Governor.

The Division of Facilities Development (DFD) develops and administers the state building program. The Division may issue change orders to construction projects if it deems this in the best interest of the state. Most building construction contracts and change orders must be approved by the Secretary of DOA. Contracts and change orders over \$30,000 must also be approved by the Governor.

## GOVERNOR

Provide \$44,400 PR in 1997-98 and \$51,100 PR in 1998-99 for 1.0 contract compliance officer position to monitor and review construction and change orders, lease agreements and contracts for DFD and DBPS.

## DISCUSSION POINTS

1. The cost of the contract compliance officer position would be divided between the two divisions as follows: (a) DFD -- \$21,900 in 1997-98 and \$25,500 in 1998-99 and 0.5

position; and (b) DBPS -- \$22,500 in 1997-98 and \$25,600 in 1998-99 and 0.5 position. Funding for the DFD portion would be provided from a dedicated percentage of the total cost of state building projects which would be transferred to DFD's program revenue budget. Funding for the DBPS portion would be provided from charges assessed against state agencies for rent of space in state office buildings.

2. The Department argues that the position is necessary to assist DBPS, DFD and the Governor, in the review and analysis of space leases, and building construction contracts and change orders.

3. This position was not requested by the Department of Administration in its 1997-99 budget request but was added as a Governor's budget initiative. Since DBPS currently leases all property and DFD approves construction contracts and change orders, it could be argued that if this position were critical to the Department, a position request would have been identified by DOA in September, 1996, prior to submission of the agency's budget request to the Governor.

4. The Department currently has 1.0 PR position that has been vacant for more than 12 months and an additional 10.93 PR positions in various appropriations that have been vacant for more than six months. It could be argued that one of these positions could be utilized to offset the increase associated with the contract compliance officer position. This approach is identical to that used in the bill to offset increased staff in DOA's Bureau of Justice Information Systems. If the longest vacant position were deleted (1.0 program assistant position in DOA's Division of State Agency Services), funding under the bill could be reduced by \$29,300 PR annually. Under this alternative, there would be no net increase to the base number of PR positions in DOA.

## ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$44,400 in 1997-98 and \$51,100 in 1998-99 and 1.0 position to support the costs of a contract compliance officer to monitor and review construction and change orders, lease agreements and contracts for DFD and DBPS.

2. Modify the Governor's recommendation to also delete \$29,300 PR annually and 1.0 PR position.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$58,600
1998-99 POSITIONS (Change to Bill)	- 1.00

3. Maintain current law.

<u>Alternative 3</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$95,500
1998-99 POSITIONS (Change to Bill)	- 1.00

Prepared by: Jere Bauer

MO# 4142

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## **ISSUE**

### **Demographics Services (Administration -- Departmentwide)**

[LFB Summary: Page 37, #6 and Page 38, #10]

## **CURRENT LAW**

The Department of Administration's demographics services section is responsible for: (1) preparing the official state population estimates and projections; (2) preparing population estimates for shared revenue distributions; (3) calculating and distributing the payments for the state's payments for municipal services; (4) resolving challenges to county or municipal population determinations; (5) maintaining the demographics services center; and (6) serving as the state's liaison with the U.S. Census Bureau to facilitate an accurate federal decennial census count in Wisconsin. The demographics services section has a staff of 4.0 GPR positions (1.0 supervisor and 3.0 analysts).

## **GOVERNOR**

Provide \$33,700 PR in 1997-98 and \$44,200 PR in 1998-99 and 1.0 PR four-year project position in the demographics services section to serve as the liaison with the Census Bureau during the decennial census, develop annual population estimates for the state's shared revenue formulas and formulate long-range population projections. Further, convert \$9,800 annually and 0.17 FTE of a demographics research analyst position in the section from GPR to PR. Funding to support the increased PR funding would be provided from charges assessed to state agencies in connection with the non-GPR share of the state's payments for municipal services.

## DISCUSSION POINTS

1. Every ten years, at the beginning of each decade, a national census is conducted in order to provide an estimate of the United States population and to obtain other basic demographic information. The demographic services section of DOA serves as the state's coordinating agency for the decennial census. Census data is used in Congressional and legislative district reapportionment, the distribution of some population-based federal aids, as a base for shared revenue distributions and in other state, local and business planning.

2. The U.S. Census Bureau has already begun to work and plan with state and local units of government on the 2000 Census by establishing address lists and maps, researching sources of and accessibility to governmental administrative records, establishing census blocks and maps and surveying boundary changes and annexations. In the future, the Census Bureau will complete the surveys, establish statistical areas, establish a census partnership program with state and local governments, acquire necessary administrative records from state and tribal governments and assist governments in establishing outreach and census promotion programs.

3. In order to coordinate the state's involvement in the 2000 Census, the Governor recommends that a 1.0 PR four-year project position [research analyst] be created. The additional staff position would coordinate or be responsible for the following: (a) developing and augmenting lists of citizen addresses; (b) annotating census maps; (c) certifying the most recent municipal boundaries; (d) coordinating and conducting outreach to local officials in an effort to prepare for participation in various census programs; (e) promoting census information collection; and (f) assisting with count problem resolution. In addition, the recommended position would assist in the development of methods to use the new census data for various state and local purposes.

4. The Department argues that the additional position is necessary because the decennial census requires work that is in addition to the section's current duties. Further, it is stated that the position will help ensure that Wisconsin has the most accurate census count possible in order to retain the state's nine Congressional seats and ensure the most favorable allocations of federal funding that is based on population. The Department indicates that the Census Bureau plans to reduce the number of follow-up contacts that will be made as a part of the 2000 Census and that this could lower the participation rate without additional state effort. Further, the Census Bureau will include estimates for nonresponses and statistical undercounts. By making these adjustments for "hard to enumerate" populations, DOA believes that Wisconsin will not benefit when compared to other more populous states. Additionally, the Census Bureau has indicated that counts in smaller areas (populations under 200,000) may be less accurate under its new method.

5. Given the importance of the 2000 Census to Wisconsin, it could be argued that the additional project position is appropriate. Under the bill, funding for the position would be provided from an assessment on state agencies associated with the non-GPR portion of payments

for municipal services (PMS). The Department indicates that the increased assessment would equal approximately 0.6% of total PMS billings.

6. The distribution of PMS payments to municipalities is not based on census data. It could be argued that since PMS is not associated with the census, assessing agencies the cost of this position as a part of the PMS program is not appropriate. The Committee may wish to note that prior to the 1980 and 1990 censuses the Legislature provided 1.0 GPR-funded project positions to assist in conducting those censuses. The Committee could, therefore, delete the PR funding and instead provide a GPR-funded four-year project position.

7. In addition to providing a position for assistance with the decennial census, the bill also converts \$9,800 and 0.17 position in the demographic services section from GPR to PR funding. The position for which a portion is being shifted to PR funding currently administers the PMS program among other duties. The reduction in funding represents a 2% reduction in GPR funding in the Division of Energy and Intergovernmental Relations and is not based on workload factors.

8. Currently, the section estimates that 0.5 full-time equivalent of the position is used to administer the PMS program. Given that 45% of PMS payments are made from PR sources, the Committee could shift a total of 0.23 FTE (rather than the 0.17 FTE recommended by the Governor) from GPR funding to PR funding and reduce GPR funding by a total of \$14,800 GPR annually. This modification would result in an additional GPR reduction to the bill of \$5,000 GPR annually and 0.06 position.

## ALTERNATIVES TO BILL

### A. Census Support Project Position

1. Approve the Governor's recommendation to provide \$33,700 PR in 1997-98 and \$44,200 PR in 1998-99 and 1.0 PR four-year project position in the demographics services section.

2. Delete PR funding for the four-year project position and instead provide GPR funding for the position.

<u>Alternative A2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	\$77,900	- \$77,900	\$0
1998-99 POSITIONS (Change to Bill)	1.00	- 1.00	0.00



3. Maintain current law.

<u>Alternative A3</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$77,900
1998-99 POSITIONS (Change to Bill)	- 1.00

## B. Demographics Service Section Position Funding

1. Approve the Governor's recommendation to convert \$9,800 annually and 0.17 research assistant position in the demographics services section from GPR to PR.
2. Convert \$14,800 annually and 0.23 position annually from GPR to PR to place the cost of the workload associated with the PR funded portion of the payments for municipal services program on PR funding.

<u>Alternative B2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$10,000	\$10,000	\$0
1998-99 POSITIONS (Change to Bill)	- 0.06	0.06	0.00

Prepared by: Jere Bauer

MO# Alt A1 B2

2 BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Shift of Positions Between Appropriations (Administration -- Departmentwide)**

[LFB Summary: Page 38, #9 f]

## CURRENT LAW

Three positions in DOA's Bureau of Intergovernmental Relations are funded from the separate federal grants applications processing appropriation.

## GOVERNOR

Transfer \$188,500 and 3.0 positions annually from the federal grants application appropriation to the DOA's appropriation for materials and services to state agencies appropriation.

## DISCUSSION POINTS

1. In the 1995-97 biennial budget, the Governor recommended and the Legislature approved the creation of a separate program revenue appropriation for the Office of Federal-State Relations in DOA. In that budget, \$142,700 and 3.0 positions in DOA's Bureau of Intergovernmental Relations were converted from GPR to PR funding. As enacted by the Legislature, DOA was allowed to charge a fee to state agencies for that unit's cost of processing agency applications to the federal government at the request of the agencies. However, DOA is actually administering the fee collection by assessing all state agencies a proportionate fee based on actual prior year federal spending, excluding aids to individuals and organizations and federal

highway aids. Agencies that are charged the fee, however, may decide how the charges are allocated within the assessed agency.

2. The Governor proposes transferring expenditure authority and positions (\$188,500 and 3.0 positions) from the grant applications processing appropriation to DOA's appropriation for materials and services to state agencies. The Department indicates, however, that it will track revenues and expenditures for federal grant application processing separately, and will continue to assess a separate fee to recover the costs of this unit. However, there would be nothing in the language of the appropriation to which the staff is being transferred to require this.

3. The Department argues that transferring the positions to a larger appropriation (\$3,733,000 and 59.5 positions) would provide more flexibility for the agency by allowing expenditures to be made within a larger expenditure authority without requiring DOA to seek supplemental expenditure authority under s. 16.515. Most of the costs of this appropriation are financed through general overhead charges to other divisions or programs of the agency or to attached units. However, in many cases, these costs are ultimately passed on to all state agencies by charges assessed by those programs to their users (such as charges for agencies' use of state fleet services, state copying centers or the state telephone and data networks). Under the Governor's proposed change, there would be nothing to prevent DOA from including these costs in such overhead charges.

4. While costs for the unit could be still tracked through the accounting system, it would not be possible for the Legislature to separately limit costs of the program in the appropriation schedule because those costs would now be part of a larger appropriation. Further, by maintaining the separate appropriation, the costs of the Office of Federal-State Relations grant application review are kept separate and expenditure authority for this program cannot currently be utilized for other purposes. The Committee could delete the Governor's recommendation and keep the fee assessment and appropriation for the unit as a separate entity as originally intended.

5. However, if the Committee approves the Governor's recommendation, it should be noted that, under the bill, the current separate appropriation is not deleted. If the Committee approves the Governor's recommendation and the appropriation is no longer going to be utilized, it should be repealed.

## **ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to transfer \$188,500 and 3.0 positions annually from the federal grants application appropriation to the DOA's appropriation for materials and services to state agencies appropriation.

2. In addition to Alternative 1, repeal the current federal grants application processing appropriation.

3. Maintain current law.

Prepared by: Jere Bauer

MO# Alt 3

2 BURKE	<input checked="" type="radio"/>	N	A
1 DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

MO# Alt 1 and 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
2 OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 14 NO 2 ABS \_\_\_\_\_

## ADMINISTRATION

### Performance-Based Program Budgeting

#### Motion:

Move to include session law language to require that the Departments of Transportation, Workforce Development, Natural Resources and Health and Family Services submit agency budget requests for the 1999-2001 biennium on a performance-based program budget basis. Require that each of these agencies, under the direction of the State Budget Office, develop program outcome measures and associated budget requests for its programs. Specify that the outcome measures selected must be ones which will allow the Governor and the Legislature to assess the performance results of each agency's programs in terms of the program outcome measures identified in the agency's performance-based program budget request. Provide that these agencies must submit their program outcome measures to DOA for approval by July 1, 1998.

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#### Note:

This motion would require that the budgets submitted to the Department of Administration by DOT, DWD, DNR and DHFS for the 1999-2001 biennial budget would be performance-based program budgets. These agencies would be required to develop outcome measures for their programs and have those measures approved by DOA in connection with the biennial budget process. In addition, the budget requests would have to be organized in conformance with an agency's programs and the associated outcome measures as identified by the agency and approved by DOA. Performance-based program budgeting can generally be described as a budget decision process that is aimed at allocating budget resources to an agency based on the agency's goals and objectives and its performance results relative to the level of measured achievement of the agency in achieving program outcome goals from using its budget amounts allocated by the Legislature for such programs. Future budget decisions may then be made based on agency performance relative to the program outcome measures.

MO# 615

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	<input checked="" type="radio"/> Y	N	A
GEORGE	Y	<input checked="" type="radio"/> N	A
JAUCH	Y	<input checked="" type="radio"/> N	A
WINEKE	<input checked="" type="radio"/> Y	N	A
SHIBILSKI	<input checked="" type="radio"/> Y	N	A
COWLES	<input checked="" type="radio"/> Y	N	A
PANZER	<input checked="" type="radio"/> Y	N	A
<sup>1</sup> JENSEN	<input checked="" type="radio"/> Y	N	A
<sup>2</sup> OURADA	<input checked="" type="radio"/> Y	N	A
HARSDORF	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
LINTON	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A

AYE 11 NO 5 ABS

DEPARTMENT OF ADMINISTRATION

Contracting Out Governmental Services  
Under Performance-Based Budgeting

Motion:

Move to include session law requiring that the performance-based budgets developed by the Departments of Transportation, Workforce Development, Natural Resources and Health and Family Services for the 1999-2001 biennium not be used to facilitate the contracting out of governmental services.

Note:

This motion would require the performance-based budgets [authorized in Motion #615] for DOT, DWD, DNR and H&FS in 1991-2001 not be utilized to facilitate the contracting out of governmental services.

MO# 710

BURKE	<u>Y</u>	N	A
DECKER	<u>Y</u>	N	A
GEORGE	<u>Y</u>	N	A
JAUCH	<u>Y</u>	N	A
WINEKE	<u>Y</u>	N	A
SHIBILSKI	<u>Y</u>	N	A
COWLES	Y	<u>N</u>	A
PANZER	Y	<u>N</u>	A
JENSEN	Y	<u>N</u>	A
OURADA	Y	<u>N</u>	A
HARSDORF	Y	<u>N</u>	A
ALBERS	Y	<u>N</u>	A
GARD	Y	<u>N</u>	A
KAUFERT	Y	<u>N</u>	A
LINTON	<u>Y</u>	N	A
COGGS	<u>Y</u>	N	A

AYE 8 NO 8 ABS

ADMINISTRATION

Aid to Wisconsin Lake Schooner Education Association

Motion:

Move, by incorporating the provisions of LRB b0043/1 into the budget, to create a continuing GPR appropriation in the Department of Administration, funded at \$397,000 GPR in 1998-99, to provide financial assistance to the Wisconsin Lake Schooner Education Association. Provide that the appropriation sunset on June 30, 1999. Specify that DOA shall provide financial assistance to the Association for personnel costs incurred in financing the construction of a tall sailing ship to represent the state as a part of the sesquicentennial of Wisconsin statehood in 1998. Require DOA to provide assistance under a written agreement with Association. Allow the Association to be reimbursed for qualified expenses incurred prior to the effective date of the budget bill. Require that the agreement authorize DOA and the Legislative Audit Bureau to verify compliance with its terms.

Note:

This motion incorporates provisions of LRB b0043/1 which would provide \$397,000 GPR in 1998-99 to the Wisconsin Lake Schooner Education Association, through DOA, for the construction of a tall sailing ship.

[Change to Bill: \$397,000 GPR]

MO#

635

BURKE	(Y)	N	A
DECKER	Y	(N)	A
GEORGE	(Y)	N	A
JAUCH	Y	(N)	A
WINEKE	Y	(N)	A
SHIBILSKI	Y	(N)	A
COWLES	Y	(N)	A
PANZER	Y	(N)	A
JENSEN	Y	(N)	A
OURADA	Y	(N)	A
HARSDORF	Y	(N)	A
ALBERS	Y	(N)	A
GARD	Y	(N)	A
KAUFERT	Y	(N)	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

Motion #635

AYE 4 NO 12 ABS



## ADMINISTRATION

### Departmentwide

#### LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments
2	Lapse from Space Rental Account
3	Debt Service Reestimate
7	Division of Administrative Services Funding Reduction
8	State Prosecutors Office
9a-e	Shift of Positions Between Appropriations